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STATE FOR NEA/ELA, NEA/RA NSC FOR MIKE PASCUAL USAID FOR ANE/MEA MCCLOUD AND RILEY

E.O. 12958: N/A

TAGS: <u>EAID PGOV PREL EG</u>
SUBJECT: USAID DEMOCRACY AND GOVERNANCE PROGRAMS: THE WAY FORWARD

We agree that the best way forward to determine FY 2008 spending levels on democracy and governance programs in Egypt is option three, selected by the April 11 Senior Level Working Group. This option sets a \$48 million floor for spending on democracy and governance programs. We would also support an assessment to determine if and how the additional \$19 million that is "ring fenced" can be spent on D&G programs in Egypt. Post warmly invites representatives from MEPI and DRL to participate in the assessment that begins May 18. SCOBEY